GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3035
ANSWERED ON:18.12.2008
PRICE OF GAS SUPPLIED BY GAIL TO POWER FERTILIZER PLANTS
Thummar Shri Virjibhai;Verma Shri Bhanu Pratap Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present price of gas being supplied by Gas Authority of India Ltd. (GAIL) to power/ fertilizer plants;

(b) whether Reliance Natural Reserves Ltd. (RNRL) is seeking reservation of gas for its future plants at a price of $2.34/MMBTU against the Government approved price of Rs.4.2/MMBTU;

(c) if so, the details thereof;

(d) whether the Government would accord priority to power plants in Andhra Pradesh who are willing to buy gas at $4.2/MMBTU instead of RNRL who have no operational power plants at present; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) Administered Price Mechanism (APM) gas is being supplied by GAIL at Rs.3200/thousand standard cubic meter (mscm), exclusive of royalty. GAIL supplies gas available from Panna-Mukta and Tapti (PMT) fields at the PSC determined average price of $ 5.65/mmbtu. GAIL also supplies gas from Ravva Satellite at $4.3/mmbtu. Further, GAIL supplies Regassified Liquified Natural Gas (RLNG) on term basis from PLL Dahej at pooled price of $4.99/mmbtu (ex-Dahej). GAIL also supplies spot RLNG at the prevailing prices. These prices are exclusive of transmission charges, taxes, marketing margin/service charges, etc.

(b) & (c): RNRL filed an application before the Bombay High Court under Section 392 of the Companies Act. The matter is presently sub-judice in the Bombay High Court.

(d) & (e): It has been decided by the Government that, out of the first 40 mmscmd of natural gas to be produced from RIL's KG-D6 field, up to 18 mmscmd would be supplied to gas based power plants lying idle/under utilized and likely to be commissioned during 2008-09 and liquid fuel plants, which are now running on liquid fuel and could switch over to natural gas. In accordance with the decision, various existing gas-based power plants, including the plants in Andhra Pradesh, would be supplied natural gas. Further, it has been decided to give priority in supply of natural gas to power plants in Andhra Pradesh.